



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal No. 15-61)

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Sarah A. Ragan or Heather N. Harwell, DSCA/LMO, (703) 604-1546/ (703) 607-5339.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 15-61 with attached Policy Justification and Sensitivity of Technology.

Dated: February 29, 2016.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-8408

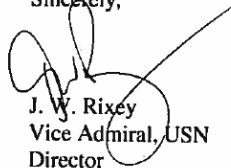
The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

OCT 28 2015

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 15-61, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to the Government of Thailand for defense articles and services estimated to cost \$26,943,445. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,


J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



Transmittal No. 15-61

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Government of Thailand
- (ii) Total Estimated Value:
- | | |
|--------------------------|---------------------|
| Major Defense Equipment* | \$ 18,570,385 |
| Other | <u>\$ 8,373,060</u> |
| TOTAL | \$ 26,943,445 |
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:
- Major Defense Equipment (MDE) includes:
- Sixteen (16) Evolved Seasparrow Missiles (ESSM) (Fourteen (14) tactical missiles and two (2) telemetry missiles)
Three (3) MK25 Quad Pack canisters
Ten (10) MK783 shipping containers
- Also included with this request is additional equipment; training; and technical services.
- (iv) Military Department: U.S. Navy (XX-P-AKO)
- (v) Prior Related Cases, if any:
FMS case AKM - \$18,186,188 - 29 Sep 2014
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Annex attached
- (viii) Date Report Delivered to Congress: 28 October 2015

* As defined in Section 47(6) of the Arms Export Control Act

POLICY JUSTIFICATION

Government of Thailand - Evolved Seasparrow Missiles (ESSM)

The Government of Thailand requested a possible sale of Major Defense Equipment for its Evolved Seasparrow Missile (ESSM) program. The total estimated value of MDE is \$18,570,385. The total overall estimated value is \$26,943,445.

Major Defense Equipment (MDE) includes:

Sixteen (16) Evolved Seasparrow Missiles (ESSM) (Fourteen (14) tactical missiles and two (2) telemetry missiles)
 Three (3) MK25 Quad Pack canisters
 Ten (10) MK783 shipping containers

Also included with this request is additional equipment; training; and technical services.

This proposed sale will contribute to the foreign policy and national security of the United States by increasing the ability of Thailand to contribute to regional security and improving interoperability with the U.S. Navy.

Thailand will use the ESSM to provide ship battlespace self-defense and firepower, which will improve its capability to meet current and future naval threats.

The proposed sale of these equipment and support will not alter the basic military balance in the region.

The principal contractors are:

Raytheon Missile Systems (RMS)	Tucson, Arizona
BAE Systems	Aberdeen, South Dakota
SAAB, 9LV MK4 Combat Management System	Sweden
Lockheed Martin	Baltimore, MD

There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to Thailand.

There is no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 15-61

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act

Annex
Item No. vii

(vii) Sensitivity of Technology:

1. This sale will involve the release of sensitive technology to Thailand. The Evolved Seasparrow missile weapons system is classified up to CONFIDENTIAL. The missile includes the guidance section, warhead section, transition section, propulsion section, control section and Thrust Vector Control (TVC), of which the guidance section and transition section are classified CONFIDENTIAL. Documentation to be provided to Thailand includes:

- a. Parametric documents (CONFIDENTIAL)
- b. Missile Handling/Maintenance Procedures (UNCLASSIFIED only)
- c. General Performance Data (CONFIDENTIAL)
- d. Firing Guidance (CONFIDENTIAL)
- e. Dynamics Information (CONFIDENTIAL)

2. The sale of the Evolved Seasparrow Missiles under this FMS case will result in the transfer of sensitive technological information and or/restricted information contained in the missile guidance section. Certain operating frequencies and performance characteristics are classified SECRET because they could be used to develop tactics and/or countermeasures that might reduce weapon system effectiveness.

3. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, primarily performance characteristics, engagement algorithms and transmitter specific frequencies, the information could be used to develop countermeasures which might reduce weapon system effectiveness.

4. A determination has been made that Thailand can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.

5. All of the defense articles and services listed in this transmittal have been authorized for release and export to the Government of Thailand.